EXCLUSION REQUEST NO. 11

a. Product Name: AS-E Corrosion-Resistant Steel
HTSUS Classification: 7210.49.0090

b. Technical Description:

AS-E Corrosion Resistant Steel is a corrosion resistant steel with a two layer coating composed of (1) a base coating layer of zinc-based, zinc-iron alloy (achieved by a hot-dip galvanizing process), and (2) a surface coating layer of iron-zinc alloy (achieved by an electro-galvanizing process), having an effective amount of zinc up to 40% by weight.

c. Basis for Exclusion Request:

AS-E Corrosion Resistant Steel is used in the production of automotive outer and inner panels. NSC has two patents concerning this specialty product: one patent (No. 4,510,209) on the basic technology for producing AS-E Corrosion Resistant Steel, and a related patent (No. 4,578,158) on AS-E Corrosion Resistant Steel produced by using an electroplating sulfate liquid containing special additives in addition to iron and zinc ions. NSC has licensed only one U.S. manufacturer, I/N Kote (a joint venture between Ispat Inland Inc. and NSC), to produce this product, which is in turn marketed through Ispat Inland.

AS-E Corrosion Resistant Steel should be excluded from any relief in this case because I/N Kote will cease producing this product in 2002. As stated in a recent letter from Ispat to [ ], I/N Kote "will cease all production of {AS-E Corrosion Resistant Steel} in order to shift . . . production to better optimize {its} product line." *See* **Attachment 11-A**. As this letter further notes, Ispat knows of "no other domestic company" that produces this product. Accordingly, Ispat has stated that "{b}ased on the lack of domestic supply, we would support the exclusion of ASE . . . coils from

any import remedy recommended by the International Trade Commission, and granted by the President." As Ispat acknowledges, "{t}he imposition of an import remedy on these products would serve only to put [ ] and its manufacturing affiliates at a disadvantage, with no benefit to Inland or any other United States steel producers."

d. Names and Locations of Any Producers:

As noted above, AS-E Corrosion Resistant Steel is produced by NSC in Japan and I/N Kote in the United States, and I/N Kote will cease production of this product in 2002.

e. Total U.S. Consumption:

NSC does not have exact figures for overall U.S. consumption of this product. However, the volume and value of NSC's U.S. sales of AS-E Corrosion Resistant Steel from 1996-2000 are below.

[Index: 1996 = 1.00]

	1996	1997	1998	1999	2000
Qty (ST)	[1.00	1.10	1.42	1.42	1.57]
Value US $	[1.00	1.10	1.41	1.41	1.56]

NSC has estimated future U.S. consumption [

].

	2001	2002	2003	2004	2005
Qty (ST)	[				]
Value US $	[				]

f. Total U.S. Production:

As noted above, I/N Kote is the only U.S. producer of AS-E Corrosion Resistant Steel. NSC is unable to provide figures for I/N Kote's production volumes of AS-E Corrosion Resistant Steel at this time.

g. U.S.-Produced Substitute, Total U.S. Production of Substitute, and the Names of Any U.S. Producers of the Substitute:

NSC is not aware of any U.S.-produced substitute for AS-E Corrosion Resistant Steel. Indeed, that there are no substitutes for this item is evidenced by the fact that NSC's U.S. end user continues to import AS-E Corrosion Resistant Steel despite the existence of an antidumping duty order on corrosion resistant steel from Japan, which continues to impose duty deposit requirements on all imports of this product.

Attachment 11-A

ISPAT INLAND INC.

Date: 10/29/01

To: [ ]

Dear [ ]

[ ] As you are aware, as of July 2002, Ispat Inland Inc. will no longer be able to provide [ ] with ASE Iron Flash Cold Rolled Galvannealed Steel Coils for use in the manufacture of certain [ ] automobile models that you have been purchasing from us for several years. At that time, we will cease all production of the ASE Iron Flash steel coils in order to shift our production to better optimize our product line.

In accordance with industry standards, as well as [ ] specification and inspection standard and requirements, standards and test methods for steel sheet, we have supplied you with ASE Iron Flash Cold Rolled Galvannealed Multi-Coat Steel Coils in accordance with ASE Iron Zinc Iron Flash Coating specifications that provide specific chemical and mechanical properties, heat treatment processes, testing standards, and reporting criteria the coils must meet for [ ] use. (Attached). Each coil delivered has been accompanied by a mill certification, confirming that it met all additional criteria required by [ ] Requirements, Standards and Test Methods for Steel Sheet. 1/

As we have discussed, we know of no other domestic company, which produces ASE Iron Flash steel coils.

We understand that the scope of the Section 201 investigation of various steel products currently underway may include imports of the ASE Iron Flash that we were previously able to supply to you. We agree with you that there will be no U.S. supplier of ASE Iron Flash once we discontinue manufacturer of these coils. Based on the lack of domestic supply, we would support the exclusion of ASE Iron Flash coils from any import remedy recommended by the International Trade Commission, and granted by the President. The imposition of an import remedy on these products would serve only to put [ ] and its manufacturing affiliates at a disadvantage, with no benefit to Inland or any other United States steel producers.

Inland anticipates no loss in sales if you import these parts from a foreign supplier, as we will no longer be manufacturing ASE Iron Flash sheets in competition with any imported material. [ ] is a valued customer, and our decision to cease production of this particular material was not intended to force [ ] to cease U.S. production of automobiles that require the use of this product.

1/Inland has not produced ASE Iron Flash in widths larger than 1610 mm and we understand that you have been sourcing those materials from a foreign producer as no other U.S. domestic mill had the capacity to fulfill this requirement. See Attachment. We are capable of producing 1638 mm in specific grades and thicknesses. Inland has not produced widths larger than 1640mm.

Please do not hesitate to contact me if Ispat Inland Inc. can be of any further assistance to you, in this or any other matter.

Sincerely,

Marc Jeske

Marc Jeske
General Counsel
Law Department
Ispat Inland Inc.
(219) 399-4267

cc: [ ]

[ ]ASE Iron Flash
Cold Rolled Galvannealed Steel Coils Requirements

(1) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM340HR-45/45
Minimum Tensile Strength: 340
High Elongation/Formability: High Rankford Value
Coating Weight: 30/60
Master Coil Size: 0.85 mm x 600 mm x 1500 mm
Coated Layer Composition Tolerance Target: Iron = 80% , Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10% , Zinc = 90%

(2) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270F - 45
Minimum Tensile Strength: 270
Degree of Formability: F
Coating Weight: 45
Master Coil Size: 0.80 mm x 1400 mm
Coated Layer Composition Tolerance Target: Iron = 80% , Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10% , Zinc = 90%

(3) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270F – 30/60
Minimum Tensile Strength: 270
Degree of Formability: F
Coating Weight: 30/60
Master Coil Size: 0.80 mm x 1400 mm
Coated Layer Composition Tolerance Target: Iron = 80% , Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10% , Zinc = 90%

(4) ASE Iron Flash Steel Plate Cold Rolled Galvanneal
Material Grade SCGA270F - 45
Minimum Tensile Strength: 270
Degree of Formability: F
Coating Mass: 45 /m^2
Master Coil Size: 0.80 mm x 1400 mm
Coated Layer Composition Tolerance Target: Iron = 80% , Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10% , Zinc = 90%

(5) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270F- 60/30
Minimum Tensile Strength: 270
Degree of Formability: F
Coating Weight: 60/30
Master Coil Size: 0.80 mm x 1400 mm
Coated Layer Composition Tolerance Target: Iron = 80% , Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10% , Zinc = 90%

(6) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM340HR- 60/60
Minimum Tensile Strength: 340
High Elongation/Formability: High Rankford Value
Coating Weight: 60/60
Master Coil Size: 1.40 mm x 1540 mm
Coated Layer Composition Tolerance Target: Iron = 80% , Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10% , Zinc = 90%

(7) ASE Iron Flash Galvanneal Coated Steel Coil
Material Grade SCGM270F- 0- 30/60
Minimum Tensile Strength: 270
Degree of Formability: F
Coating Weight: 30/60
Master Coil Size: 0.70 mm x 1565 mm
Coated Layer Composition Tolerance Target: Iron = 80% , Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10% , Zinc = 90%

(8) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270D-30/60
Minimum Tensile Strength: 270
Degree of Formability: D
Coating Weight: 30/60
Master Coil Size: 0.90 mm x 1560
Coated Layer Composition Tolerance Target: Iron = 80% , Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10% , Zinc = 90%

(9) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270D – 30/60
Minimum Tensile Strength: 270
Degree of Formability: D
Coating Weight: 30/60
Master Coil Size: 0.90 mm x 1565 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(10) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270D – 30/60
Minimum Tensile Strength: 270
Degree of Formability: D
Coating Weight: 30/60
Master Coil Size: 0.90 x 1565 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(11) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270D-60/30
Minimum Tensile Strength: 270
Degree of Formability: D
Coating Weight: 60/30
Master Coil Size: 0.90 mm x 1560 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(12) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270D – 60/30
Minimum Tensile Strength: 270
Degree of Formability: D
Coating Weight: 60/30
Master Coil Size: 0.90 mm x 1565 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(13) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat

Material Grade SCGM340HR-45/45
Minimum Tensile Strength: 340
High Elongation/Formability: High Rankford Value
Coating Weight: 45/45
Master Coil Size: 0.80 mm x 1555 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(14) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM340HR-45/45
Minimum Tensile Strength: 340
High Elongation/Formability: High Rankford Value
Coating Weight: 45/45
Master Coil Size: 0.85 mm x 900 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(15) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270F – 30/60
Minimum Tensile Strength: 270
Degree of Formability: F
Coating Weight: 30/60
Master Coil Size: 0.70 mm x 1560 mm"
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(16) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270F- 30/60
Minimum Tensile Strength: 270
Degree of Formability: F
Coating Weight: 30/60
Master Coil Size: 0.70 mm x 1560 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(17) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM340HR-0-30/60
Minimum Tensile Strength: 340
High Elongation/Formability: High Rankford Value
Coating Weight: 30/60
Master Coil Size: 0.75 mm x 1350 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(18) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM340HR-30/60
Minimum Tensile Strength: 340
High Elongation/Formability: High Rankford Value
Coating Weight: 30/60
Master Coil Size: 0.80 mm x 736 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(19) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270F – 30/60

Minimum Tensile Strength: 270
Degree of Formability: F
Coating Weight: 30/60
Master Coil Size: 0.85 mm x 1395 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(20) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270F – 30/60
Minimum Tensile Strength: 270
Degree of Formability: F
Coating Weight: 30/60
Master Coil Size: 0.85 mm x 1385 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc = 90%

(21) ASE Iron Flash Cold Rolled Galvannealed Multi-Coat
Material Grade SCGM270F- 30/80
Minimum Tensile Strength: 270
Degree of Formability: F
Coating Weight: 30/80
Master Coil Size: 0.80 mm x 1675 mm
Coated Layer Composition Tolerance Target: Iron = 80%, Zinc = 20%
Coated Layer Composition Tolerance Inner: Iron = 10%, Zinc